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Producers 88 (4-89) — Paid Up With 640 Acres Pooling Provision STANDARD LEASE v.5

THIS LEASE AGREEMENT is made this

PAID UP OIL AND GAS LEASE

(No Surface Use)

_day of SEPTEMBER

huby -	Harris :	Stoyaw	idau '				
whose address and, <u>DALE PR</u>	OPERTY SERVICES	S. L.L.C., 2100 Ross Av	K FOY+ UDT+	h TEXUS Mo exas 75201, as Lessee. A	I printed portions of this lease		s Lessor, the party
1. in cor	amed as Lessee, but nsideration of a cas , hereinafter called le	sh bonus in hand paid a	uding the completion of blant and the covenants herein of	c spaces) were prepared joir ontained, Lessor hereby gra	nty by Lessor and Lesson. ants, leases and lets exclusi	ely to Lessee the	following
OUT OF THE FORTU	15 Trentm Dorth		, TARRANT COUNT	Y, TEXAS, ACCORD	, BI ADDITION, AN ADDIT ING TO THAT CERTA DS OF TARRANT COI	IN PLAT RECO	ORDED
reversion, pres substances pro commercial gas land now or he Lessor agrees	scription or otherwise oduced in association ses, as well as hydroreafter owned by Letto execute at Lesser	on therewith (Including rocarbon gases. In addi assor which are contiguous request any additiona	cploring for, developing, pro geophysical/seismic operati tion to the above-described us or adjacent to the above for supplemental instrument	ducing and marketing oil au ons). The term "gas" as leased premises, this lease described leased premises, s for a more complete or ac	ny interests therein which Les and gas, along with all hydroc used herein includes hellum also covers accretions and a , and, in consideration of the curate description of the land emed correct, whether actual	arbon and non hy i, carbon dioxide iny small strips or aforementioned ca so covered. For th	drocarbon and other parcels of ash bonus,
as long thereaft	fler as oil or gas or o	ther substances covered		a primary term of File ing quantities from the lease	(5)years ed premises or from lands poo	from the date here aled therewith or th	
3. Royal separated at Lessor at the willhead m prevailing price Twenty - production, sev Lessee shall m no such price the same or ne more wells on the deemed to the same or service the same or could be deemed to the same of the same said the same of the same said the same same same same same same same sam	ities on oil, gas and essee's separator fa wellhead or to Lesson market price then pree) for production of FWE PETCEN verance, or other exave the continuing righten prevalling in the earest preceding date the leased premises hydraulic fracture stip be producing in paylot being sold by Lesson the depository de or wells are shut-in or y Lessee from anoty atton of such operation.	inclifies, the royalty shall it's credit at the oil purch evailing in the same fleto fishing in the same fleto fishing in the same fleto fishing in the costs ght to purchase such properties as the date on which Leads pooled therowing quantities for the purchasee, then Leasee shall signated below, on or but purchall or wells on the large well or wells on the large wells or wells on the large wells or wells on the large wells or well or wells or wells or well or wells or well or wells or well or wells or well	the and saved hereunder shate and saved hereunder shate transportation facilities as each's transportation facilities of (or if there is no such price vity; (b) for gas (including the proceeds realized by incurred by Lessee in delivoduction at the prevailing we nearest field in which there is essee commences its purch that are capable of either produced in the realized are either shut-in or proceed maintaining this lead pay shut-in royally of one defore the end of said 90-day is not being sold by Lessee; eased premises or lands no	s, provided that Lessee shale eithen prevailing in the san casing head gas) and all Lessee from the sale ther ering, processing or otherwillhead market price paid for a such a prevailing price) praces hereunder; and (c) if a such a prevailing price in gas or other subtroduction there from is not have. If for a period of 90 conciliar per acre then covered period and thereafter on or provided that if this lesse is cled therewith, no shut-in resident per some period and the period and the period shut-in resident period and the period shut-in resident peri	asor as follows: (a) For oil a of such production, to be de il have the continuing right to the field, then in the nearest follower substances covered leaf, less a proportionate pase marketing such gas or oth production of similar quality in ursuant to comparable purchat the end of the primary term istances covered hereby in pacing sold by Lessee, such will secutive days such well or with the fore each anniversary of the otherwise being maintained by a by the lessee liable for the amount	livered at Lessee's purchase such pro- eld in which there led in which there hereby, the royally at of ad valorem it er substances, pro- el the same field (or issee contracts enter- or any time thereat lying quantities or sell or wells shall nerells are shuf-in or put to be made to Lene end of sald 90-cry operations, or if put of the 90-day per led of the 90-day are shuf-in or put of the 90-day operations, or if put of the 90-day put of 90-	is oplien to duction at its auch a y shall be taxes and wided that if there is red into on fler one or such wellshe vertheless production taser or to dear or to dear or to dear or to dear or to dear end on to end end end end end end end end
4. All shi be Lessor's dej draft and such address known payment hereu 5. Excep premises or lai pursuant to the nevertheless re on the lessed pithe end of the operations reas no cessation of the lessee shall die (a) develop leased premises	ut-in royalty paymen pository agent for receptation payments or tenders payments or tenders to be a second payments or tenders to as provided for in a second pooled therewith the provisions of Paramaln in force if Less premises or lands populated to primary term, or at sonably calculated to more than 90 consolion in paying quantiff such additional with leased premises from uncompense	celving paymonts regard is to Lessor or to the dep- situte proper payment. It Lesseo's request, delive Paragraph 3, above, if Lesseo's request, delive Paragraph 6 or the action see commences operation of the many time thereafter, this is obtain or restore productive days, and if any littles from the leased premises as to formations then atted drainage by any weight to the desent of the leased premises as to formations then atted drainage by any weight to Lesseo premises.	less of changes in the owner costiory by deposit in the US. If the depository should lique er to Lessee a proper record easee drills a well which is in thether or not in paying que of any governmental author ans for reworking an existing days after completion of opic lease is not otherwise beling to such operations result in the ease or lands pooled therewith ease or lands pooled therewith canable of producing in pay	ship of said land. All payme Mails in a stamped envelopidate or be succeeded by a able instrument naming and capable of producing in paynitiles) permanently ceasestly, then in the event this well or for drilling an additionation on such dry hole or g maintained in force but I hall remain in force so long a production of oil or gas owith. After completion of a las a reasonably prudent or ing quantities on the leased	It lessor's address above this or lenders may be made in the addressed to the depositor mother institution, or for any nother institution as depository along quantities (hereinafter cas from any cause, including a lease is not otherwise being onal well or for otherwise obtaining within 90 days after such cesuessee is then engaged in dras any one or more of such or other substances covered well capable of producing in oeralor would drill under the set premises or lands pooled if There shall be no covenant for	n currency, or by city or to the Lessor season fail or refuse agent to receive par led "dry hole") on the revision of unit in maintained in formation of all producibiling, reworking or serations are prosenereby, as long the paying quantilies it are of similar circular cerewilh, or (b) to greatly, or (b) to generation, or (b) to generations are prosenerations are prosenerations are prosenerations are prosenerations of the control of	neck or by at the last the last the last the last the leased noundaries ce it shall production. If all any other cuted with a reafter as the last the last last last last last last last last
additional wells 6. Lesse depths or zone proper to do se unit formed by herizontal com completion to c of the faregoin prescribed, "oil feet or more equipment; an equipment; an equipment; an equipment the Production, dri reworking oper net acreage of Lessee, Poolle unit formed he prescribed or making such a leased premise he adjusted ac-	s except as expressi- ee shall have the rig es, and as to any or o in order to prudent e such pooling for an upletion shall not exc conform to any well; ing, the terms "oil well if well" means a well per barrel, based or of the term "horizont did the t	y provided herein. Int but not the obligation in all substances covered by develop or operate the oil well which is not a head of the oil well which is not a head of the oil well which is not a head of the oil well which a limited gas-oil ration 24-hour production testal completion means all completion means all completion means all completion in the units pooling rights hereur perations anywhere on different production of the units and included in the units and included from the units wearded from the units wearded from the units and the production in the production of the units wearded from the units and the office of the order of the oil to the oil wearded from the units wearded from the units of the oil wearded from the	to pool all or any part of the by this lease, either before a leased premises, whether controlled the present leased premises, whether controlled the present lease the meanings prescribed or ave the meanings prescribed to of less than 100,000 cubic st conducted under normal an oil well in which the horizon of the production on which he production on which Less to the total gross at a tessee's pooling rights he he, either before or after conting jurisdiction, or to conform declaration describing the avince quantities from a unit.	eleased premises or intores or after the commencement of not similar pooling authorit exceed 80 acres plus a mitow, provided that a larger permitted by any government by applicable law or the a feet per barret and "gas well producing conditions using izontal component of the grossord a written declaration de any part of the leased presor's royalty is calculated sitterage in the unit, but only intender, and Lessee shall intender, and Lessee shall intender any production, mit o any productive acreage proportion of unit production or upon permanent cessation.	at therein will any other lands of production, whenever Lity exists with respect to such aximum acreage tolerance of unit may be formed for an oil not a ultimary be formed for a completion interval in the secribing the unit and stating mises shall be treated as if tall be that proportion of the bid the extent such proportion have the recurring right but much order to conform to the we determination made by such effective date of revision. To no which royallies are payare tross-conveyance of interest	or interests, as to assee deems it nei other lands or inter 10%, and for a ga well or gas well or on to do so. For the orily, or, if no defingas-oil ratio of 100 acilities or equivalieservoir exceeds the effective date to were production, of unit production of unit production of the obligation to the obligation of the extent any poole hereunder shall ate the unit by filingate the total at the unit production of the obligation to the extent any poole hereunder shall ate the unit by filingate the shall ate the unit by filingate the shall ate the unit by filingate on the object of t	any or all cessary o rests. The swell or a horizonta is purpose nition is so, 0000 cubic ent testing the vertica of pooling a chilling o a which the is sold by revise any sity pattern thority. In the other than the thing of the horizonta is the thing of the thing o

- 7. If Lessor owns less than the full mineral estate in all or any part of the leased premises, the royalties and shut-in royalties payable hereunder for any well on any part of the leased premises or lands pooled therewith shall be reduced to the proportion that Lessor's interest in such part of the leased premises bears to the full mineral estate in such part of the leased premises
- such part of the leased premises.

 8. The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or In part, by area and/or by depth or zone, and the rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change in Lessor's ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 days after Lessee has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the satisfaction of Lessee or until Lessor has satisfied the notification requirements contained in Lessee's usual form of division order. In the event of the death of any person entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to the credit of decedent or decedent's estate in the depository designated above. If at any time two or more persons are entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to such persons or to their credit in the depository, either jointly or separately in proportion to the interest which each owns. If Lessee transfers its interest hereunder in whole or in part Lessee shall be relieved of all obligations thereafter arising with respect to the transferred interest shall not affect the rights of
- separately in proportion to the interest which each owns. It Lessee transfers its interest hereunder in whole or in part Lessee shall be relieved or all obligations thereaster adding with respect to the transferred interest, and failure of the transferre to satisfy such obligations with respect to the transferred interest shall not affect the rights of Lessee with respect to any interest not so transferred. If Lessee transfers a full or undivided interest in all or any portion of the area covered by this lease, the obligation to pay or tender shut-in royalties hereunder shall be divided between Lessee and the transferee in proportion to the net acreage interest in this lease then held by each.

 9. Lessee may, at any time and from time to time, deliver to Lessor or file of record a written release of this lease as to a full or undivided interest in all or any portion of the area covered by this lease or any depths or zones there under, and shall thereupon be relieved of all obligations thereafter arising with respect to the interest so released. If Lessee releases all or an undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or tender shut-in royalties shall be proportionately reduced in accordance with the net acreace interest retained hereunder.
- If Lessee releases all or an undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or tender shut-in royalties shall be proportionately reduced in accordance with the net acreage interest retained hereunder.

 10. In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises or lands pooled or unitized herewith, in primary and/or enhanced recovery, Lessee shall have the right of ingress and egress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipelines, tanks, water wells, disposal wells, injection wells, pits, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, produce, store, treat and/or transport production. Lessee may use in such operations, free of cost, any oil, gas, water and/or other substances produced on the leased premises, except water from Lessor's wells or ponds. In exploring, developing, producing or marketing from the leased premises or lands pooled therewith, the ancillary rights granted herein shall apply (a) to the entire leased openises described in Paragraph 1 above, probable tearling any partial release or other partial termination of this lease; and (b) to prove except water from Lessor's wells or ponds. In exploring, developing, producing or marketing from the leased premises or lands pooled therewith, the ancillary rights granted herein shall apply (a) to the entire leased premises described in Paragraph 1 above, notwithstanding any partial release or other partial termination of this lease; and (b) to any other lands in which Lessor now or hereafter has authority to grant such rights in the vicinity of the leased premises or lands pooled therewith. When requested by Lessoe is writing, Lessee shall bury its pipelines below ordinary plow depth on cultivated lands. No well shall be located less than 200 feet from any house or barn now on the leased premises or other lands used by Lessee hereunder, without Lessor's consent, and Lessee shall pay for damage caused by its operations to buildings and other improvements now on the leased premises or such other lands, and to commercial limber and growing crops thereon. Lessee shall have the right at any time to remove its fixtures, equipment and materials, including well casing, from the leased premises or such other lands during the term of this lease or within a reasonable time thereafter.

 11. Lessee's obligations under this lease, whether express or implied, shall be subject to all applicable laws, rules, regulations and orders of any governmental authority having jurisdiction including restrictions on the drilling and production of wells and the price of oil gas, and other substances covered better.
- 11. Lesse's obligations under this lease, whether express or implied, shall be subject to all applicable laws, rules, regulations and orders of any governmental authority having jurisdiction including restrictions on the drilling and production of wells, and the price of oil, gas, and other substances covered hereby. When drilling, reworking, production or other operations are prevented or delayed by such laws, rules, regulations or orders, or by Inability to obtain necessary permits, equipment, services, material, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike or labor disputes, or by inability to obtain a satisfactory market for production or failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control, this lease shall not terminate because of such prevention or delay, and at Lessee's option, the period of such prevention or delay shall be added to the term hereof. Lessee shall not be flable for breach of any express or implied covenants of this lease when drilling, production or other operations are so prevented, delayed or interrupted.

 12. In the event that Lessor, during the primary term of this lease, receives a bona fide offer which Lessor is willing to accept from any party offering to purchase from Lessor a lease covering any or all of the substances covered by this lease and covering ell or a portion of the land described herein, with the lease becoming effective upon expiration of this lease, Lessor hereby agrees to notify Lessee in writing of said offer immediately, including in the notice the name and address of the offeror, the price offered and all other pertinent terms and conditions of the offer. Lessee, for a period of fifteen days after receipt of the notice, shall have the prior and preferred right and option to purchase the lease or part thereof or interest therein, covered by the offer at the price and according to the

- there is a final judicial determination that a breach or default and Lessee fails to do so.

 14. For the same consideration recited above, Lessor hereby grants, assigns and conveys unto Lessee, its successors and assigns, a perpetual subsurface well bore easement under and through the lessed premises for the placement of well bores (along routes selected by Lessee) from oil or gas wells the surface locations of which are situated on other tracts of land and which are not intended to develop the leased premises or lands pooled therewith and from which Lessor shall have no right to royalty or other benefit. Such subsurface well bore easements shall run with the land and survive any termination of this lease.

 15. Lessor benefit warrants and agrees to defend title conveyed to Lessee hereunder, and agrees that Lessee's option may pay and discharge any taxes,
- 15. Lessor hereby warrants and agrees to defend title conveyed to Lessee hereunder, and agrees that Lessee at Lessee's option may pay and discharge any taxes, mortgages or liens existing, levied or assessed on or against the leased premises. If Lessee exercises such option, Lessee shall be subrogated to the rights of the party to whom payment is made, and, in addition to its other rights, may reimburse itself out of any royalties or shut-n royalties otherwise payable to Lessor hereunder. In the event Lessee is made aware of any claim inconsistent with Lessor's litle, Lessee may suspend the payment of royalties and shut-in royalties hereunder, without interest, until Lessee has been furnished satisfactory evidence that such claim has been resolved.
- 16. Notwithstanding anything contained to the contrary in this lease, Lessee shall not have any rights to use the surface of the leased premises for drilling or other
- operations.

 17. This lease may be executed in counterparts, each of which is deemed an original and all of which only constitute one original.

 DISCLAIMER OF REPRESENTATIONS: Lessor acknowledges that oil and gas lease payments, in the form of rental, bonus and royalty, are market sensitive and may vary depending on multiple factors and that this Lease is the product of good faith negotiations. Lessor understands that these lease payments and terms are final and that Lessor entered into this lease without duress or undue influence. Lessor recognizes that lease values could go up or down depending on market conditions. Lessor acknowledges that no representations or assurances were made in the negotiation of this lease that Lessor would get the highest price or different terms depending on future market conditions. Neither party to this lease will seek to alter the terms of this transaction based upon any differing terms which Lessee has or may negotiate with any other lessors/oil and gas owners.

IN WITNESS WHEREOF, this lease is executed to be effective as of the date first written above, but upon execution shall be binding on the signatory and the signatory's heirs, devisees, executors, administrators, successors and assigns, whether or not this lease has been executed by all parties hereinabove named as Lessor.

LESSOR (WHETHER ONE OR MORE) By: Pruby Horris Stou Ву: ACKNOWLEDGMENT STATE OF was acknowledged before me on the 2008. KISHA G. PACKER POLIC Notary Public, State of Texas Notary Public, State of Notary's name (printed): My Commission Expires April 15, 2012 STATE OF COUNTY OF 2008 This instrument was acknowledged before me on the Notary Public, State of

Notary's name (printed): Notary's commission expires:



DALE RESOURCES LLC 2100 ROSS AVE STE 1870 LB-9

DALLAS

TX 75201

Submitter: DALE RESOURCES LLC

SUZANNE HENDERSON TARRANT COUNTY CLERK TARRANT COUNTY COURTHOUSE 100 WEST WEATHERFORD FORT WORTH, TX 76196-0401

DO NOT DESTROY WARNING - THIS IS PART OF THE OFFICIAL RECORD.

Filed For Registration:

12/08/2008 01:10 PM

3 PGS

Instrument #:

D208448136

LSE

\$20.00

By:

D208448136

ANY PROVISION WHICH RESTRICTS THE SALE, RENTAL OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.

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